



» WINNING AT CONSUMER CENTRICITY:

10 tips for Retailers and Manufacturers



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WINNING AT CONSUMER CENTRICITY: 10 tips for Retailers and Manufacturers

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The only certainty for retailers and manufacturers operating today is that it will continue to be increasingly difficult to win or even survive without a fundamental change in approach. Intense competition, growing channel blur, the explosion of brand choice, new channels and an overload of market noise have all led to the increasing power of the consumer and the decreasing effectiveness of traditional retail strategies and tactics. This has led to a relentless focus on price as the sole basis for competition, which is not a viable, nor desirable, long-term strategy for most organizations.

In the face of this new market reality and today's economic environment, we see retailers and manufacturers increasingly adopt a consumer-centric strategy as the new basis for competition based on the belief that it's the consumer that is their greatest asset and competitive advantage.

What follows is a guide written for retailers and manufacturers that offers ten tips for adopting a comprehensive consumer-centric approach to business. In developing the tips, Precima draws on the data and findings from an analysis that Precima and DemandTec commissioned from IDC Global Retail Insights. IDC Global's research, titled "Being Consumer-Centric: A Retailer and Manufacturer Update," was based on interviews with "high performing" and "back in the pack" retailers and manufacturers about their use of consumer-centric practices.

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INTRODUCTION

Let's start with a definition. As a best practice, we define consumer centricity as an enterprise-wide strategy to fully leverage consumer insights to drive integrated strategies – across marketing, merchandising and operations – aligned to priority consumers.

Consumer centricity is a strategy based in the belief that if you are able to identify your most important consumers and understand their needs better than your competitors, then you can align every aspect of your value proposition to meet those needs

Why is it critical to business success? To start, this strategy has proven for retailers and manufacturers globally, to provide a sustainable competitive advantage while driving sales, profits and consumer loyalty. This success is based on the well-established fact that not all consumers are created equal. In fact, there is a relatively small group of consumers who account for a disproportionately large share of sales and profits. Consumer centricity is a strategy based in the belief that if you are able to identify your most important consumers and understand their needs better than your competitors, then you can align every aspect of your value proposition to meet those needs including the products you offer, your prices, promotions, the in-store experience and marketing. The result: increased sales and profits through greater consumer share and stronger loyalty.

That covers – What is it? Why is it important? And brings us to the easiest question – When? The obvious answer is now.

Retail and manufacturing executives are facing a new era of consumerism unlike any witnessed in their professional careers. Gone are the days of going to the local store for a stick of butter, a loaf of bread and a gallon of milk. Today's consumer has much more to consider. Butter or margarine? Fresh baked or pre-sliced bread? Organic or soy milk? Not to mention the plethora of other decisions that enter the equation such as price, location, convenience, money-saving offers and rewards opportunities – just to name a few. To put it bluntly, competition for share-of-wallet is at an all-time high. There exists more pressure than ever for retailers and manufacturers to identify a differentiator between them and their closest competitors. Shifting focus to a consumer-centric approach, to complement and enhance traditional strategies, is a vital step in understanding today's new consumer and distinguishing a company from the pack.

Retailers and manufacturers clearly see consumer centricity as a vital lifeline and a profitable alternative to a strategy based solely on price. The IDC survey showed that the majority of retailers and manufacturers rank consumer centricity as a top three-success factor. Additionally, a majority in both sectors also expects an increased focus on consumer centricity in the near term.

There are significant challenges to implementing and optimizing a consumer-centric strategy, however. They include budget constraints, organizational resistance to change, lack of training and poor access to data. The time to overcome these challenges is at hand. Increasing competition, decreasing results from traditional tactics and the current economic crisis leave no choice.

Shifting focus to a consumer-centric approach, to complement and enhance traditional strategies, is a vital step in understanding today's new consumer and distinguishing a company from the pack.





Winning at Consumer Centricity

A Quick Reference Guide for Retailers

1

Establish Executive Commitment

A successful consumer-centric strategy always starts at the top.

75% identify consumer centricity a top 3 success factor – the remaining 25% risk falling behind as the capability gap grows.

2

Apply Insights Cross-Functionally

Insights should impact key decisions across marketing, merchandising and operations

Only 64% of retailers rate their ability to leverage consumer insights cross-functionally as better than satisfactory – those able to deploy insight to drive decisions across the full business will achieve the most success.

3

Enable Organizational Change

Establish the right data, tools, processes and communications from the start.

Almost 60% of retailers rank incorporating consumer insights into existing roles as a key challenge to their consumer-centric initiatives. Retailers must ensure the vision for consumer centricity is understandable and enabled by all.

4

What Gets Measured Gets Managed

Quantify success using consumer-centric measures

While the gap is closing, the use of consumer-based measures trails traditional measures by 20%. Retailers need to more consistently use consumer-centric scorecards to measure performance in order to optimize their initiatives.

5

Collaboration is Critical

Ultimately, the consumer is at the center, deciding what to buy and where to buy it. Through collaboration, retailers and manufacturers will derive the full benefit of consumer centricity

Less than half of retailers believe that sharing data with manufacturers provides better insights or creates new revenue sources. This is an under-realized opportunity for retailers to not only ensure that manufacturers propose strategies aligned to theirs, but to boost their bottom line.





Winning at Consumer Centricity

A Quick Reference Guide for Manufacturers

1

Establish Executive Commitment

A successful consumer-centric strategy always starts at the top.

Industry leaders are still establishing their capabilities, so those starting now are not too far behind. 80% of high performing manufacturers will increase their consumer-centric initiatives in 2009.

2

Apply Insights Cross-Functionally

Insights should impact key decisions across marketing, merchandising and operations

High performing manufacturers are more effective in using their consumer-centric data cross-functionally. Trade marketing and demand planning/forecasting are key areas that high performers significantly outpace their peers.

3

Enable Organizational Change

Establish the right data, tools, processes and communications from the start.

33% of manufacturers identified proving program ROI as a significant challenge, an issue already overcome by retailers. Manufacturers must focus on identifying the right strategic focus, then ensure the right people and tools are in place from the start.

4

What Gets Measured Gets Managed

Quantify success using consumer-centric measures of success

Many consumer-based metrics are used by less than half of manufacturers. Manufacturers must find ways to incorporate more consumer measures into their program evaluations – working closely with their retail partners to get to the right metrics is a key step in this process.

5

Collaboration is Critical

Ultimately, the consumer is at the centre, deciding what to buy and where to buy it. Through collaboration, retailers and manufacturers will derive the full benefit of consumer centricity

Most manufacturers do see the benefit in sharing data with their partners. Those that are able to work collaboratively to align brand and retail consumer-centric strategies will be able to drive more relevant strategies that not only increase sales and profits, but consumer loyalty.





Winning at Consumer Centricity: Tips for Retailers

1. To succeed at consumer centricity, retailers need to commit – NOW.

Like any other business strategy, the faster an organization embraces a consumer-centric approach, the sooner it will see significant impacts on the bottom line. It's crucial to adopt the strategy wholeheartedly, as the subsequent stages of implementation and optimization will deliver the true benefits. Consumer centricity is not solely about using incremental consumer insights to do what you are already doing better. It's about changing what you do and how you do it, based on the needs of your priority consumers. This type of change requires real executive commitment and organizational alignment.

Consumer centricity is a top 3 success factor for 75% of retailers

Overall, three out of four retailers (75%) identify a consumer-centric approach as one of the top three most important factors to business success. Consumer centricity is firmly on the minds of retail executives. But among high performing retailers, those with strong year-over-year sales growth, the number swells to 87%. Early-adopting retailers have identified a consumer-centric strategy as critical to success and are busy deploying insights across the organization, putting the data to work in real live retail situations. These companies are leading in the critical stages – adopting a clear strategy and winning the support of senior level executives – and their focus is now on fine-tuning and optimization.

2009 and beyond represents a critical time for retailers lagging in their consumer-centric approach. Early adopters already have a strong first-mover advantage and are focusing on optimization over implementation. A lingering recession and uncertain economic times means consumers are more cognizant about where and how they spend money. Recent Precima research showed a significant trend of consumers shifting from restaurants to eating more at home. The implications for grocers and retailers are clear. Fall too far behind in the implementation of a consumer-centric strategy and the gap between the early adopters could grow too large. The stakes are higher than ever.

2. Collecting consumer insight is only half the battle.

In retail, it's execution that delivers results. A company could amass the most sophisticated collection of consumer analysis and insights, but without the ability to execute against those insights, the value is nominal. While more than two-thirds of retailers (67%) are using insights to drive chain-wide marketing and merchandising decisions, less than half (47%) indicate that they are using consumer insight to inform activities like demand planning/forecasting.

More than 1/3 of retailers are unsatisfied with their ability to leverage consumer insights

The step between developing the consumer insight and actually executing consumer-centric strategies across an organization remains the most challenging for retailers. Indicating room for improvement, 64% of all retailers described their ability to leverage consumer insights across the organization as better than satisfactory. Look at high-performing retailers, and the number jumps to 73%. With all levels of personnel and management committed to the strategy, the high performers are doing a better job of implementing consumer centricity across the corporate environment.





Winning at Consumer Centricity: Tips for Retailers

Gathering and interpreting consumer data is a fundamental step in the journey toward consumer-centric retailing. But the real pot of gold is the ability to deploy the data across an organization and use it to implement better pricing, promotion and assortment decisions, and improve the relevancy of consumer-facing programs. Those that develop a culture of consumer centricity and the right tools can then use the insights to influence merchandising and marketing decisions, drive traffic into retail locations and gain significant first-mover advantage.

3. Consumer centricity demands accountability from all levels of an organization

The effective implementation of consumer-centric strategies relies on establishing a firm belief in consumer centricity across all levels and verticals an organization. Too often, the cliché “culture eats strategy for breakfast” rings true when companies try to adopt new or unfamiliar sweeping changes or “cutting-edge” ideas.

6 out of 10 retailers experience challenges with incorporating consumer insights into existing roles

Nearly 60% of retailers rank “incorporating consumer insights into existing roles” as a top executional challenge, hampering the effectiveness of consumer-centric initiatives. Retailers also cite the lack of readily available insights and limited team resources as specific impediments to success.

While organizations have been quick to tap senior officials to lead consumer-centric efforts, they sometimes lag in aligning the organization and implementing the required change to provide true accountability tied to consumer-centric metrics. For example, if category managers continue to be evaluated and rewarded solely on category volume, sales and profit, without including consumer measures of performance, it is unlikely that their focus will change to include the consumer. In other words, “what gets measured, gets managed.”

Consumer Centricity in Action

The scenario:

A well-known pharmacy retailer was looking to trim some of the brands that they carry to focus more on the high performing products and eliminate some clutter from the shelves. In looking at the diaper category specifically, the retailer ranked all items in the category according to sales volume. One particular item in the bottom ten was cut, making more space for a higher-volume faster-moving item.

At first glance, this move looked like a major positive in the diaper category, eliminating a low-volume item in favor of a more productive SKU. However, that particular brand of diaper was a niche product, and very important to certain consumers and segments. In fact, for some new moms and dads, that brand of diaper was often THE reason driving them to shop at the retailer. For this group of consumers, it made the retailer a destination for shopping trips related to newborn babies. In addition to purchasing the diaper, these families would also use the trip to stock up on other more profitable items such as formula, wipes, baby food and even home necessities unrelated to the new baby. The niche item was actually drawing in high value consumers prone to large basket purchases.

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Winning at Consumer Centricity: Tips for Retailers

The bottom line is that retailers adopting consumer-centric strategies need to integrate the philosophy from a broad corporate vision, all the way down to single employees and stakeholders. Letting accountability and reward trickle to all ends of the organization is the way to ensure the company, as a whole, is not only “talking the talk” about consumer centricity, but also “walking the walk.”

4. Updated metrics will provide true benchmarking on consumer-centric progress

In retail there exists no clearer identifier of success or failure than sales and profits. The challenge for retailers in a consumer-centric environment is to begin peering at profit and loss statements through a segmented lens. There's the broad assessment that a company performed well, but more important is – the reasons the company performed well, how to capitalize on high performing segments, and how to rectify lagging segments. Armed with a measurement model that identifies which consumers are most impactful to the bottom line can be crucial in telling a retailer if strategies are winning in all the right places.

Retailers are already utilizing industry standard measurement tactics at fairly high rates to determine the effectiveness of their consumer-centric strategies – 92% are measuring increased total number of consumers; 92%

92% measure increased sales. While 72% measure increased visits per consumer.

are looking at increased overall sales dollars; and 89% are checking for increases in same store sales. However, some of the more consumer-centric key performance indicators rank much lower. Only 72% are monitoring increases in number of consumers in valuable segments; 72% are looking at increases in visits per consumer; and 80% are monitoring per consumer profitability. These are the segmented metrics that need to come alive within status reports to truly measure the success of a consumer-centric program.

It's no secret that consumer-centric programs are delivering tremendous benefit to retailers. But to quantify the benefits, retailers will need to shift and adopt more consumer-focused measures and make them accessible to the entire organization.

The benefits go beyond measuring success. By understanding a consumer view of performance, retailers are able to complement the purely operational view of performance (Sales/Profits) to provide strategic insights as to the key levers and opportunities (Why are sales up or down and how, for whom and what can we do about it?). In this regard, consumer-centric scorecards and performance measurement become critical strategic planning tools to not only measure success of past initiatives but to respond to challenges and opportunities and drive continued future success.

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Once the retailer eliminated the item from the category, this group of new parents began to migrate to competitive retailers still carrying the item. If the retailer was tracking sales by segment, it would have seen a precipitous decline in the “new mom” segment – a critical segment for a pharmacy retailer.

The lesson: Making important product decisions with strictly a “category view” could lead to elimination of low-volume but high-value items. Instead, take a consumer-centric approach to these choices. By tracking segment sales and the potential to attract desirable large basket shoppers, retailers will see clearly which items drive loyalty among high value shoppers. Retailers will ensure they are making the right decisions for the entire store, versus just focusing on the category.





Winning at Consumer Centricity: Tips for Retailers

5. Collaboration is a critical step in successful consumer centricity

In the world of consumer centricity, there is a critical role for both retailer and manufacturing partners. So many of the key retail decisions – category strategy, pricing, promotion and assortment – require collaboration from both retailer and manufacturer. While the objectives between retailer and manufacturer often differ, the consumer is the common cause to bring both together. By using shared consumer insights, retailers and manufacturers can focus on offering the right products at the right price to better satisfy consumer needs. For example, in order to enhance consumer-centric assortment decisions, retailers can share insights on the needs of their best consumers with manufacturers to support innovation and new product launch decisions. In fact, top motivations for sharing data for high performing retailers include: allows for development of better insights (47%) and strengthens retailer-manufacturer relationships (53%). Sharing of data creates synergy between the two parties, a united front on consumer centricity.

The consumer insights and opportunities available from retailer loyalty data and consumer-centric initiatives are a priceless asset for both the retailer and their trading partners. Implementing an enterprise-wide consumer-centric strategy requires investment on behalf of the retailer including the loyalty program management, the consumer database, analytical and reporting tools and teams to develop and manage consumer-centric initiatives. As such, retailers are wise to share consumer insights and strategies with manufacturers

**High performers
are more than 30%
more likely to share
consumer data as a
source for revenue**

to increase collaboration and offset investments. High performing retailers are strongly motivated by the prospects of creating new revenue, as 47% cited this as a main reason to share consumer data. Just 15% of other retailers felt the same, a gap that suggests many retailers are behind in sharing data for the purpose of creating revenue.

Whether it means sharing data between partners to reduce costs, improve insights or providing consumer information to strategically aligned partners to offset costs, retailers can leverage insights to boost the bottom line. Not only is this an opportunity for retailers to get manufacturers

to think in line with their business, but also an opening to secure valuable incremental funds in exchange for proprietary data – a win on both fronts.





Winning at Consumer Centricity: Tips for Manufacturers

1. Manufacturers stand at the consumer centricity crossroads.

The choices are lead, follow or get out of the way. Choose lead.

Thomas Edison once said that success is 10% inspiration and 90% perspiration. With all due respect, America's greatest inventor seems to have left out a critical factor—timing. Consumer centricity is a classic business case study in regard to timing. Manufacturers who are ready to invest now have an opportunity to establish a strong first-mover advantage over their competitors.

**High performers
are 25% more
likely to increase
their emphasis on
consumer centricity**

There is ample evidence that industry leaders get the message. No less than 80% of high performing manufacturers said they expect to increase their emphasis on consumer centricity, compared to just 65% for the pack. Thus, consumer centricity is a “leading” indicator for manufacturers, suggesting that the concept is a new focus and that industry leaders are still establishing their capabilities. If manufacturers follow the retail life-cycle, those who make early investments will see them pay off down the road.

Like retailers, high performing manufacturers have both higher regard for and greater utilization of consumer-centric data and insights. Within the manufacturing sector, claims to consumer-centric practices are about even between high performers and the pack, but high performers clearly do a better job of utilizing data and insights, and they use the consumer-centric data more effectively across their organizations.

That retailer private-label products are now rapidly gaining ground is one of the most salient factors in the presently depressed marketplace. This trend reflects both a threat and an opportunity for manufacturers. Retailers are seeking brands that deliver against a growing consumer need—quality brands and affordable prices that drive category sales and profits for the retailer. Given the increasing importance of this trend, it will be more important than ever for manufacturers to understand and use consumer insights to make decisions and to do so in line with each retailer's consumer strategy to ensure continued relevance in the future.

2. Consumer centricity requires a holistic approach.

Consumer centricity is not a one-dimensional strategy. To be effective, it requires fundamental change and integration across all areas of a manufacturer's business—from brand strategy/positioning, to marketing and advertising, to how they collaborate with retailers to implement more effective, targeted and relevant trade strategies.

**High performers
outscore the pack by
31% in using insights
for demand planning
and forecasting**

Here are some other compelling numbers to put this in perspective. While most manufacturers use insights to drive brand marketing decisions (72%), high performing manufacturers outscore the pack on the use of consumer-centric data in trade marketing by 18% and in demand planning and forecasting by 31%. Furthermore, 60% of high performing manufacturers rate their ability to leverage consumer insights across the organization as better-than-satisfactory, versus 33% for the pack.





Winning at Consumer Centricity: Tips for Manufacturers

Numbers don't lie and the truth they tell here is that consumer centricity is not just a retail-driven strategy, nor is it just the purview for brand marketers within a manufacturer. As a best-practice, consumer centricity is truly an enterprise-wide strategy that integrates across all key functions and decisions of the business. Manufacturers who build best practices in this space will create a significant performance gap. Given this holistic approach the stakes for manufacturers have never been higher. Those who fail to invest in consumer centricity now will find it difficult to catch up later. As has been clearly demonstrated in the retail consumer-centric model, late-adopters will find themselves implementing while their competitors are optimizing.

But for manufacturers, there is a more urgent warning flag. Even high performing, early adoptive manufacturers are behind the curve compared to retailers. As retailers become more sophisticated in the ways of consumer centricity, manufacturers will need to allocate greater resources to their own consumer-centric practices in order to maximize success with retail trading partners. To further raise the stakes, manufacturers have the added challenge of understanding how their consumer-centric strategies must be customized to align to each individual retailer's consumer strategy. This requires manufacturers to not only develop a consumer strategy for their brands, but to work on a retailer by retailer basis to understand how their brand segments align with and support the retailer's priority consumer segments.

The implications are clear. If consumer centricity is here to stay as a retail strategy, it is also critical for manufacturers. Success for manufacturers requires not only an integrated consumer strategy across brands and functions, it also requires coordination with retail partners. Those who wish to be successful need to start now.

Segmentation Saturation

Segmentation is an inexact science that everyone is trying to perfect. The problem is, that there will never be a flawless model. Many companies spend a majority of their time tweaking and improving their segmentations, the rest of their time debating with each other on which segmentation is the best, and often spending relatively little time on the most important aspect – which is deploying the segmentation into real scenarios to create value. It's the application of the segmentation where the value is created. A company could spend years gathering resources to create the nirvana of all segmentation models without reaping many of the benefits. Don't be mistaken, segmentation is a critical step on the path to consumer centricity, but only when strategies are formulated and altered based on the resulting insights. Don't fall into the trap of spending too much time perfecting segmentation models. Devote more resources to making decisions based on the critical insights from which it yields.



Winning at Consumer Centricity: Tips for Manufacturers

3. Set the stage for success by getting the right support and establishing the appropriate processes and tools from the start.

Manufacturers have demonstrated a strong commitment to consumer centricity but the concept is new enough to the sector that adopters still are discovering which programs will drive the best results.

1 in 3 manufacturers have difficulties in proving the ROI of consumer-centric programs

High performers and the pack alike identified limited team resources (44%) and proving program return on investment (33%) as significant challenges. Compared to retailers, for whom proving program ROI has fallen to the bottom of the list of barriers to success, manufacturers are behind in understanding how to quantify the benefits of consumer-centricity. This should be a key priority for manufacturers, as the ability to establish the right strategic focus will impact the success of any consumer-centric initiatives.

From an executional standpoint, manufacturers said the most difficult challenge is gaining access to data (40%), followed by getting timely analyses (32%) and incorporating insights into existing roles (32%).

It's crystal clear that the key to overcoming these challenges requires more than just an executive-level commitment to consumer centricity. Successful implementation and integration requires the right organizational change, tools and resources. Given the large scope and scale of these initiatives for manufacturers, it is critical to implement a phased approach to consumer centricity versus trying to be "all things to all people." This requires a prioritization and sequencing of activities that will deliver quick-wins and build the strategic and organizational business case for consumer centricity. For manufacturers just starting out, that means identifying the activities that yield the most benefits and best ROI, then put the right people and tools in place to support program objectives.

4. Work with retailer partners to jointly develop new measures.

The most common key performance indicators that manufacturers stated they apply to measure consumer-centric success are traditional to the industry, namely increased overall sales and increased baseline product sales (both 89%).

Less than half of manufacturers use increased brand purchase frequency as a measure of consumer-centric success

As with retail, sales and profits will always be critical performance metrics, but a consumer-centric strategy requires additional, consumer-based measures of success.

Examples of consumer-based success metrics include increased brand purchase frequency and brand penetration. As a somewhat ironic measure of the change in thinking that is needed, these consumer-based metrics were used by only 45% and 58% of manufacturers, respectively.

Manufacturers who strive to be consumer centricity leaders must find ways to incorporate more consumer measures into their program evaluations. This can be difficult when retailers hold the keys to data that enables measurement at the consumer level. However, as manufacturers look for ways to implement their consumer-centric strategies in the retail environment, the need to





Winning at Consumer Centricity: Tips for Manufacturers

share data will increasingly become a critical success factor for consumer centricity for both retailer and manufacturer. As both parties increase their efforts to develop more relevant and effective consumer-facing programs, jointly developing more consumer-centric measures of success will logically follow.

5. Collaboration is Critical

Collaboration is critical to achieving the ultimate consumer centricity success. The triple-win scenario, in which the manufacturer and retailer are united in their identification of the most important consumers and better understanding their needs and wants, is the ultimate end-goal.

72% of manufacturers request data to provide better insights to retailers

Retailers own the POS data, so it's not surprising that manufacturers see more benefit to receiving data from their trading partners. In fact, 72% of manufacturers request data to help them provide better insights and plans to their trading partners. However, manufacturers bring significant consumer insights on category and brand purchase behavior, on changing needs, wants and consumer trends. These insights can significantly complement retailer transactional data and together drive greater consumer insights leading to more

profitable marketing and merchandising decisions. Together, this collaboration can drive increased sales, profits and sustainable competitive advantage.

In order to achieve these benefits, don't lose sight of what's in it for the consumer. While retailer and manufacturer objectives often differ, the consumer is the tie that binds. Through increased collaboration and data-sharing, retailers and manufacturers can develop a greater understanding of consumer needs and wants and use these insights to develop more relevant strategies to drive increased sales, profits and consumer loyalty.



CONCLUSION

Studies have shown that 70% of the choices that consumers make about which brand to buy are made at the moment of purchase, in the aisle. To truly influence these split second brand decisions, retailers and manufacturers must understand consumers and their behavior leading up to purchase. A consumer-centric strategy, when executed efficiently and properly, can provide a monumental advantage in influencing shoppers and engendering high value consumers.

While this paper separates retailer and manufacturing insights for easy-reading purposes, consumer-centricity is truly complete when there is a synergistic collaboration between the two parties. When both retailer and manufacturer adopt a consumer-centric strategy and deploy fully across each organization the results are clear – richer consumer insights, greater optimization of key segments and a magnified consumer retail experience. And don't forget sales and profits.



About the Author

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As General Manager, Brian is responsible for the overall strategic and operational management of Precima and for Precima's relationships with customers and business partners. Drawing on his extensive experience in customer loyalty marketing and advanced analytics, Brian has worked with leading North American retailers and manufacturers to implement world-class customer management strategies.

Before joining Precima, Brian held a series of positions in LoyaltyOne businesses, notably providing client management and analytics for key Sponsors of the AIR MILES Reward Program. He has used data-driven customer insights to help shape successful business initiatives for clients in grocery, pharmacy, department store and specialty retailing, as well as financial services and consumer packaged goods. Brian shares his expertise in regular articles for marketing publications and is a frequent speaker at industry events and forums.

About Precima

Precima is an advanced analytics firm that translates retail customer data into critical insights to better align marketing, merchandising and operations strategies with shopper needs. Precima helps retailers and manufacturers grow sales, improve profitability and build customer loyalty. As the in-house analytics arm of LoyaltyOne, an Alliance Data company, Precima worked with many of the leading retail partners of the AIR MILES Reward Program for over 16 years to help make the program North America's coalition loyalty marketing leader. Additionally, Precima has worked with numerous customer-focused retailers and manufacturers across North America. Precima is recognized for delivering measurable results tailored to each retailer's unique needs.

For more information about Precima visit www.precima.com



WINNING AT CONSUMER CENTRICITY: 10 tips for Retailers and Manufacturers was inspired by a study conducted by IDC Global Retail Insights, titled: Being Consumer-Centric: A Retailer and Manufacturer Update

Survey Overview

DemandTec and Precima commissioned IDC Global Insights to study how FMCG retailers and manufacturers (food, HBC and hard lines) use and regard Consumer-Centric data and analysis to drive their businesses. The results show that both retail and manufacturer companies are seeing benefits from consumer centricity, but more opportunities are available.

Survey Methodology

- Survey sample was 120 respondents; comprised of 55 retailers and 65 consumer product companies.
- For retailers the high performance cutoff was 7% in same store sales growth (YOY). 13 companies in high performers group (7% or greater). 25 companies comprise the “pack” of average performers. Another 17 companies were either outliers or had incomplete data and were excluded from the analyses.
- The manufacturing group included both CP and pharma companies so a single benchmark did not apply, so the researchers looked at both groups separately and calculated the mean and standard deviation for each for revenue growth % (YOY). High performers were any who achieved revenue growth \geq mean + 1 STD. 10 companies in high performers group (1 SD above the mean). 35 companies in the “pack”. 22 outliers or no data.

About DemandTec



DemandTec (NASDAQ: DMAN) enables retailers and consumer products companies to optimize merchandising and marketing decisions, individually or collaboratively, to achieve their sales volume, revenue, and profitability objectives. DemandTec software services utilize DemandTec's science-based software platform to model and understand consumer behavior. DemandTec customers include more than 195 leading retail and consumer products manufacturers such as ACE Hardware, Advance Auto Parts, Belk, Best Buy, Bon-Ton Stores, Circle K Stores, ConAgra Foods, Delhaize America, General Mills, Giant-Carlisle, H-E-B Grocery Co, Hormel Foods, Monoprix, PETCO, Safeway, Sara Lee, Spartan Stores, Toys R US and WH Smith. Connected via the DemandTec TradePoint Network™, DemandTec customers have collaborated online with nearly 2.2 million trade deals. For more information, please visit www.demandtec.com.

About IDC Global Retail Insights



IDC is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1000 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For more than 44 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

**An executive summary of the survey may be downloaded at:
www.demandtec.com/retailsurvey or www.precima.com/centricity**



